MR. CHAIRMAN: Delhi pollutants do not affect Allahabad.

SHRI Z. R. ANSARI: No, Sir. As a matter of a fact, at Okhla, there is a scheme that these Delhi pollutants will be taken away through a separate canal from the river Yamuna and therefore, the river Yamuna will not be affected by that.

MR. CHAIRMAN: Very good.

SHRI KAPIL VERMA: Sir, Allahabad is very proud of you because you are a student of Allahabad University and you have spent very good years, formative years there and you share the sentiments of Allahabad people about both the rivers, the Yamuna and the Ganges also.

MR. CHAIRMAN: About Delhi people also.

SHRI KAPIL VERMA: Sir, unless both rivers are cleaned fully, the results will not be proper. This is what the experts also feel. I have a lot of cuttings with me. The Ganga Action Plan people are also saying that. But I do not want to take the time of the House by reading them. But what I would like to know is that whether the Government is going to have Yamuna Action Plan like Ganga Action Plan to clean the entire Yamuna particularly at Allahabad.

SHRI Z. R. ANSARI: Sir, Government does not have any proposal for a separate Yamuna Action Plan as on today but one thing I want to assure this august House that before the next Kumbh which is falling in January 1989, the water in Ganga at Allahabad, including the stretch of Yamuna, will be pollution-free and will be suitable for bathing and all other purposes. This is my commitment. It will be assured that that water is clean and no pollution is there.

कुमारी सईदा खातून : माननीय सभापति जी इज्जतदार मंत्री महोदय से यह जानना चाहती हूं कि गंगा और यमुना की नदियों के अलावा कोई और ऐसी नदियां हैं जिनके प्रदूषण के लिए आपके यहां मामला विचाराधीन हो ? जैसे मध्य प्रदेश का सिवनी जिला है वहां पर एक कारखाना है और वहां पर वेण गंगा नाम की नदी बहती है। वहां पर शराब का कारखाना होने की वजह से प्रदूषण पोल्यूशन फैलता है और तीन बार इस कारण स्ट्राइक भी हो चुकी है सिवनी बंद किया गया। मैं यह जानना चाहती हूं कि वेण गंगा नदी का कोई मामला आपके विचाराधीन है ।

श्री जैड० आर० अंसारी : जनाबे-आला 14 बड़ी नदियों का हमने पूरी तरह से सर्वे करा लिया है।

श्री सभापति : बूढ़ी गंगा के बारे में आप क्या कर रहे हैं

श्री जेड० आर० अंसारी : बूढ़ी गंगा है जवान गंगा है साउथ की गंगा है प्रयाग गंगा है सब का नाम लूंगा तो बड़ी संख्या हो जायेगी। मैं अर्ज कर रहा हूं . . . .

श्री सभापति : एक और गंगा का नाम बताया है इन्होंने।

श्री जेड० आर० अंसारी : मेरा यह कहना है कि सारा सरफेस वाटर इन दरियाओं के जरिए बहता है मुख्तलिफ इस्तेमाल में आता है यह पोल्यूशन फ्री हो यह हम चाहते हैं। गंगा एक्शन प्लान इसके लिए पहला एक्शन प्लान है। इसके बाद जैसे-जैसे रिसोर्सेज होंगे हम दूसरे प्लान लेंगे लेकिन इसके यह माने नहीं हैं कि हमने इन इंडस्ट्रीज को बिल्कुल छोड़ रखा है। जो पोल्यूशन क्रिएट करता है दूसरी दरियाओं में तो पोल्यूशन कंट्रोल बोर्ड स्टेट और सेन्ट्रल पोल्यूशन बोर्ड उन को बंद करने का नोटिस देता है।

Conditions for public issues by companies

*286. KUMARI SUSHILA TIRIA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that for safeguarding the interests of the investing public, Government have decided to impose strigent conditions on the companies going in for public issues; and

(b) if so, what are the details thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b) A Statement is laid on the Table of the House.

Statement

For safeguarding the interests of the investing public, Government have imposed in January, 1988 following conditions on the companies going in for public issues:—

(i) The company shall scrupulously adhere to the time limit of 10 weeks from the date of closure of the subscription list for allotment of all securities and despatch of allotment letters/certificates and refund orders.

(ii) The company shall, at the time of filing its application for listing to the regional Stock Exchange, furnish an undertaking for compliance of the above condition along with a scheme incorporating the necessary details of the arrangements for such compliance. This undertaking shall be signed by the Chief Executive or a person authorised by the Board of the Company.

(iii) The company shall file, with the Executive Director or Secretary of the regional Stock Exchange, within five working days of the expiry of the stipulated period as above, a statement signed by the Chief Executive or a person authorised by the Board, certifying that that allotment letters/securities and the refund orders have been despatched within the prescribed time limit as per the condition above. A copy of the statement shall be endorsed to the office of the Controller of Capital Issues quoting this Consent Order and date.

(iv) Non-compliance of conditions above shall be punishable by the Stock Exchange, in addition to the action that may be taken by other competent authorities.

For safeguarding the interest of the Debenture holders from the angle of serviceability and repayment of debentures to the Debenture holders on time, Government have issued certain guidelines which are given below:—

F. 11|22|CCI(II)|86

Government of India Ministry of Finance

(Department of Economic Affairs)

Office of the Controller of Capital Issues

New Delhi, the 14th January, 1987|

Pausa 24, 1908 (*Saka*)

PRESS RELEASE

GUIDELINES FOR THE PROTECTION OF THE INTEREST OF DEBENTURE HOLDERS

Government have been considering for some time, issue of certain guidelines in the interest of debenture holders, which would facilitate the serviceability and repayment of debentures to the debenture holders on time. These guidelines have now been formulated and are enumerated below:—

1. *Servicing of Debentures*:

A Debenture Redemption Reserve (DRR) shall be created by all companies raising resources through debentures on the following basis:—

(a) A moratorium upto the date of commercial production can be provided for creation of the debenture redemption reserve in respect of debentures raised for project finance.

(b) The debenture redemption reserve may be created either in equal instalments for the remaining period or higher if profits permit.

(c) Company should create DRR equivalent to 50 per cent of the amount of debenture issue before debenture redemption commences. Drawal from DRR demption commences. Drawal from DRR is permissible for redemption purposes only after 40 per cent of the debenture liability has been actually redeemed by the company.

(d) In the case of convertible debentures DRR should be created in respect of non-convertible portion of debenture issue on the same lines as applicable for

non-convertible debenture issue. In respect of convertible issues by new companies, the creation of DRR should commence from the year the company earns profits for the remaining life of debentures.

(e) Companies may distribute dividends out of general reserves in certain years if residual profits after transfer to DRR are inadequate to distribute reasonable dividends.

(f) DRR will be treated as a part of General Reserve for consideration of bonus issue proposals and for price fixation related to post tax return.

(g) In case of new companies distribution of dividend shall require approval of the trustees to the issue and the lead institution, if any.

(h) In the case of existing companies prior permission of the lead institution for declaring dividend exceeding 20 per cent or as per the loan covenents is necessary if the company does not comply with institutional condition regarding interest and debt service coverage ratio.

(i) Companies may redeem debentures in greater number of instalments. The first instalment may start from 5th instead of 7th year.

II—*Protection of Debenture Holders Interest*:

(i) Trustees to the debenture issue shall be vested with the requisite powers for protecting the interests of debenture holders including a right to appoint a nominee director on the Board of the company in consultation with institutional debenture holders.

(ii) Lead institution/investment institution will monitor the progress in respect of debentures for project finance/ modernisation / expansion/diversification/ normal capital expenditure. The lead bank for the company will monitor debentures raised for working capital funds.

(iii) Institutional debenture holders and trustees should obtain a certificate from the company's auditors in respect of utilisation of funds during the implementation period of projects. In the case of debentures for working capital purposes the auditor's certificate should be obtained at the end of each accounting year.

(iv) Debenture issues by companies belonging to the groups for financing/ replenishing funds or acquiring shareholding in other companies will not be permitted.

(v) The companies shall along with their application file with the Controller of Capital Issues prior clearance with— certificates from their bankers that the assets on which security is to be created are free from any encumbrances and that necessary permissions to mortgage the assets have been obtained. The security should be created within 12 months from the date of issue of debentures, if for any reason the companies are not in a position to create security within 12 months from the date of issue of debentures the company shall be liable to pay 2 per cent penal interest to debenture holders. If security is not created even after 18 months a meeting of the debenture holders should be called within 21 days to explain the reasons there of and the date by which the security would be created.

(vi) The trustees to the debentureholders will supervise the implementation of the conditions regarding creation of security for the debentures and regarding the debenture redemption reserve.

No. S-11(16)-CCI(II)/88

Government of India

Ministry of Finance

(Department of Economical Affairs)

Office of the Controller of Capital Issues

New Delhi, the 25the Feb., 1988.

PRESS RELEASE

Guidelines for Protection of the Interest of Debenture Holders

Government had issued a set of guidelines on 14th January, 1987 in the interest of debenture holders for servicing the

debentures and creation of security. With a view to ensuring better compliance of these guidelines and to safeguard the interests of existing debenture holders in companies seeking to issue additional capital, it has been decided that all companies which have already issued debentures in the past and which propose to issue new securities shall furnish the following documents to the Controller of Capital Issues along with their capital issue applications:—

(i) A status report of the action taken by the company on the guidelines issued by Government in January, 1987 in respect of the debentures already issued;

(ii) An Auditor's certificate indicating that (a) the company is not in default in the servicing of its debentures already issued and (b) debenture certificate has been issued in favour of the allottees for all previous debenture issues of the company; and

(ii) A certificate from the financial institution and/or the bankers that they have no objection for a second or pari passu charge being created in favour of the trustees to the proposed debenture issue.

KUMARI SUSHILA TIRIA: Sir, there is a tendency on the part of management of companies to misutilise the share capital amounts and make the company a sick unit. I would like to know from the hon. Minister what steps are taken to safeguard the interests of the investing public.

SHRI EDUARDO FALEIRO: Sir, I have mentioned some of the steps taken for this purpose in the statement itself and some others, I can give now. We have taken a series of steps. I will just mention a few of them, not to take much of the time of the House. One of the most important steps taken is the decision to set up a Board to regulate and improve upon the working of stock exchanges and improve investor protection. Then, the Bansal Working Group's recommendations regarding transfer problems have been examined and action on many of them has been taken. Then come odd-lot counters established by stock exchanges, investor servicing cells, training programme for stock brokers and so on and so forth. As far as guidelines are concerned, for companies we have issued, on 8th January, 1988, guidelines for expeditious processing of applications from the public in public issues of capital and despatch of refund orders. Several other steps have also been taken. I can send information to the hon. Member.

KUMARI SUSHILA TIRIA: My second supplementary is (a) Whether the Government is aware of the fact that after share money is collected, it is being diverted for the personal interests of the directors, more so of the managing director. What steps is the Government going to take to curb this tendency? (b) Whether complaints received from shareholders are duly considered and immediate action taken and accounts of the companies are duly audited.

SHRI EDUARDO FALEIRO: I have already mentioned some steps. I will further say that regarding the guidelines which the Government had issued on 14th January 1987 for protecting the interests of debenture holders, we have now decided to call for status report of the action taken by the companies before deciding on their future issue of capital. Further, Sir, the minimum eligibility criteria for listing of securites we have decided upon will be as follows. The minimum issued equity capital of the company shall be above Rs. 100 lakhs instead of Rs. 50 lakhs. The minmum public offer of equity capital shall not be less than Rs. 60 lakhs instead of the earlier Rs. 30 lakhs. And further steps are being taken, all in the interests of investors and debenture holders.

SHRI PRITHIBI MAJHI: I think what has been stated in the reply of the Minister will not serve the purpose because the Minister is aware of the fact that a company like the Peerless Finance and General Investment Company Limited, its management, has been trying to divert the capital and there is a demand from INTUC for nationalisation of the company. I want to know from the Minister whether

the conditions mentioned in the statement will serve the purpose in safeguarding the interests of the twenty million certificate-holders and whether the Government is considering any proposal for nationalisation of Peerless Finance and General Investment Company.

SHRI EDUARDO FALEIRO: The honourable Member wants information about a specific company. The information is not readily available with me. I shall pass on the information to him.

*287. [*The questioners (Shri Shanker Sinh Vaghela and Shri Pramod Mahajan were absent. For answer* vide *col.* 36 infra]

Historic Nabha Jail Monument

*288. SHRI MUKHTIAR SINGH MALIK: Will the Minister of HOME AFFAIRS be pleased to state:

(a) whether Government's attention has been drawn to the news-item which appeared in the 'Times of India' dated the 7th January, 1988 to the effect that Historic Nabha Jail is crumbling wherein Late Shri Jawahar Lal Nehru and his two other colleagues were kept for ten days; and

(b) if so, what measures Government propose to take to protect the monument?

THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI CHINTAMANI PANIGRAHI): (a) and (b) Yes, Sir. The State Government have informed that late Shri Jawahar Lal Nehru and others were not confined in the Nabha District Jail, but in a separate premises in Maharaja Hira Singh Park in Nabha which is maintained by the Municipal Committee, Nabha. The State Government have been advised to take appropriate action for its maintenance.

SHRI MUKHTIAR SINGH MALIK: My question related to the historic Nabha Jail wherein Pandit Jawaharlal Nehru with two of his colleagues had been kept, whether that jail is crumbling or not. The Minister's reply relates to Nabha District Jail. This is very curious. Pandit Jawaharlal Nehru with two of his colleagues had been confined in a park known as Maharaja Heera Singh Park. That park might have been converted into a jail. As is known to everybody, that place where the illustrious Jawaharlal Nehru with two of his colleagues had been kept was overnight changed into a jail. Just as the jail in Andaman and Nicobar where freedom fighters had been kept has been preserved as a national monument, I would like to know from the honourable Minister whether this park can be treated or whether the Government is thinking of treating it as a national monument—the park where the illustrious son of India had been imprisoned—and whether they can take the responsibility of preserving and maintaining it.

SHRI CHINTAMANI PANIGRAHI: As I have already answered, the place where the late Pandit Jawaharlal Nehru, the architect of modern India, the builder of modern India, was lodged with two of his colleagues, we have asked the Municipal Committee to maintain that place properly; we have also asked the State Government to see that it is maintained. We shall again write to the State Government and the Municipal Committee that they should take proper care of that park. I have already said it in my answer....

SHRI MUKHTIAR SINGH MALIK: As a national monument?

SHRI CHINTAMANI PANIGRAHI: For maintaining it as a national monument we have to enact a legislation. We shall put it before the Ministry of Human Resources and then they will come forward with a proposal.

श्री धर्मचन्द प्रशान्त : सभापति महोदया केन्द्रीय सरकार के सामने क्या कोई ऐसा प्रपोजल है कि जहां हमारे बड़े-बड़े नेता, गांधी जी, पंडित जवाहरलाल नेहरू और सुभाषचन्द्र बोस कैद में रहे थे उन जगहों को एक मीनूमेंट के रूप में परिवर्तित किया जाय?

SHRI CHINTAMANI PANIGRAHI: Sir, whenever these questions come to the notice of the Government of India, the Government takes measures to declare monuments as national monuments. But it is the Department of Culture under the